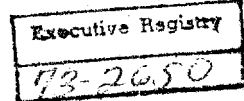


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28 May 1973

MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with Dr. Albert C. Hall, Assistant Secretary for Intelligence, DOD, on 23 May 1973

1. Dr. Hall and I lunched to get acquainted and to discuss future working relationships. I stressed that I am looking forward to close collaboration, as there are many resource problems which will be his direct responsibility for the Secretary of Defense but which will also be part of my responsibility for community review. I said I look forward to handling some of these resource reviews on a joint basis with joint study groups rather than conducting independent and probably duplicatory reviews. I emphasized that I look forward to having the IC Staff be a stimulus to the selection of matters to be reviewed but that the actual review will be made in as many cases as possible by a task group, to include participants from the activity being reviewed. The results of the review would then be circulated to principals for comment prior to final decision by me on the review. Dr. Hall indicated full agreement with this concept and only made the comment that he hopes the IC Staff will not be too big. I concurred in this.

25X1 2. I also said that I look forward to the IRAC's developing a periodic review of ongoing activities in the form of about a quarterly review of actual expenditures, reprogramming, etc., rather than merely looking to future budget allocations. Dr. Hall concurred and expressed interest in this approach. He did comment that the [] project might be looked at with respect to the need for the degree of coverage [] I was noncommittal on this but indicated receptivity to reexamining any matters. We referred also to the ExCom discussion about the possible desirability of stretching out several of the NRO projects in this time of somewhat reduced international tension, counting on strategic warning indicators to give us enough advance notice to reestablish a more frequent schedule in case tensions rose. I also

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discussed my basic belief that the entire intelligence budget will have to show further reductions due to the high price of personnel these days and the change of major public concern from matters of national security to matters of national welfare. I said we still have the function of providing for the citizen an alert against security threats, despite his lack of interest, but we also have the requirement to respond to his new interests and needs and that the resources for this effort must be found within a declining budget.

3. With respect to substance, I indicated that Dr. Hall might wish to attend USIB meetings as my guest, without being an actual member, in order to increase his appreciation of the substantive matters which drive the resource requirements. Dr. Hall expressed interest in this possibility and will advise. I also described to Dr. Hall my hope to develop several special assistants for major subjects, who could range through the community rather than merely the Agency.

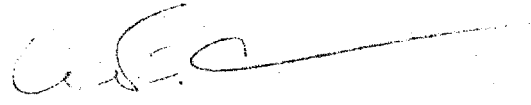
4. With respect to briefing me in my new role, I discussed my intention to visit the major program managers for a briefing by each and invited Dr. Hall to accompany me to those under the Defense aegis. He expressed pleasure with this possibility.

5. We also discussed the national vs. tactical intelligence problem. I expressed my interest in developing a relationship between the two rather than trying to define a line between them, which I believe to be impossible. I said that I see one of the major difficulties as being the military tradition that the commander must control his intelligence activities, although even today exceptions are made to this for certain systems, e. g., satellite photography and much of NSA's product is handled centrally and provided to operational commands rather than having each command run its own satellite system. I said it seems to me that we might be able to identify other programs which could be more fruitfully run centrally and the results provided to the commands, at the same time giving the commands some specific relief from responsibility for collection through such programs. Dr. Hall's thought was possibly to minimize involvement in the tactical intelligence subject pursuant to the earlier agreement along that line made with Mr. Helms. We discussed the pressure from the Hill, however, for a more energetic staff effort by the DCI

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on this subject in order to help the Hill committees do their own homework and that consequently I believe that some activity in this field will become necessary at the DCI level.

6. Dr. Hall mentioned Mr. Woodruff's recent report of pressure on the Hill for an open intelligence budget. I indicated that we have given some thought to this problem in the past and rather hoped to avoid it because of the possibility of riders, etc. In the present atmosphere, however, I said it seems that we may well have to go in the direction of at least a line item in the Defense budget to cover all the agencies, and possibly even a breakdown in the budget or in the community report of the major program totals. He stated that this is under active study, and I said we would participate in developing a position, perhaps for use during my confirmation hearings, on this subject. (I have separately asked that this be prosecuted.)



W. E. Colby

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